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Applicability: DDSN Operated Residential Programs; DSN Boards and Contracted Service Providers of Residential Services

I. PURPOSE

When those who reside in a Department of Disabilities and Special Needs (DDSN) sponsored residential setting are determined to need assistance to manage their money, it may be necessary to store residents' personal funds in the form of cash. This Directive explains specific control procedures for securely handling and preserving those funds.

Cash on hand is the amount money, based on the resident's Financial Plan that may be spent through cash purchases. Cash on hand is defined as the combination of:

- Cash personally held by the resident; and,
- Any additional cash that may be securely maintained on his/her behalf.

II. PROCEDURES

Proper internal controls are vital for protecting the personal funds of every individual who receives residential services from DDSN or from one of its providers. Accordingly, all of the internal controls listed below shall be followed by all providers of residential services:

A. Levels of Cash Maintained

1. A reasonable and prudent cash on hand maximum shall be set for each individual in the residence. The maximum should be based on his/her established financial goals or

priorities and documented in his/her Financial Plan. A resident's cash on hand maximum can only change when his/her Financial Plan is changed.

2. As part of the Financial Planning process, consideration should be given to both the appropriate amount of personally held cash and the appropriate amount of securely maintained cash for an individual, programmatically supported and documented in his/her Financial Plan. Based on the resident's abilities, preferences, priorities and financial goals, the maximum cash on hand for a resident may be less than or greater than \$50. The \$50 maximum should not be used as a default amount and applied to all residents.
3. Any time an individual's securely maintained cash on hand level reaches his/her established maximum, the excess shall be transferred to his/her checking or savings account for safekeeping.

B. Cash Security

1. A locking cash box (or other alternative means to secure the cash held) shall be maintained in a secure location at each residence for the sole purpose of securely and separately maintaining cash for use at each resident's discretion.
2. Access to the cash box shall be limited to staff who have been properly trained.
3. The cash ledgers must be kept in a locked area separate from the actual cash being maintained.
4. Each resident must be provided the means to safely secure their personally held cash on hand. As needed, residents must be taught to utilize the means provided and encouraged to do so.

C. Documentation of Withdrawals

1. Withdrawals for an individual's routine agreed upon disbursement amount as documented in the Financial Plan must be recorded on their cash ledger as "personal cash" and does not require receipts for monies spent.
2. If the amount to be disbursed to the resident will exceed the prior agreed-upon disbursement amount, the Financial Plan must be updated to support the new amount before the actual disbursement occurs.
3. All withdrawals that are not for "personal cash" will require a receipt for documentation. In the event that there is no receipt to support the transaction, then the person designated by the Executive Director of the provider must provide a signed note which explains what was spent, the item or service purchased, and the purchase date. The details will also be entered into the cash ledger.
4. All documentation (receipts or signed note) should be retained and attached to the cash ledger sheet when it is balanced as proof of the purchase.

D. Cash Ledger Sheets

1. Separate cash ledger sheets for each individual in the residence shall be maintained in a location separate from the securely maintained cash. An example of an adequate cash ledger sheet is shown in the Attachment to this Directive. Cash ledger sheets shall contain all of the following information:
 - a. Name and/or other identifying information so that it is clear to whom the cash belongs.
 - b. Transaction dates.
 - c. Cash amounts added/used.
 - d. Running balance of securely maintained cash.
 - e. Initials/signature of the staff member handling the transaction.
 - f. Initials/signature of the individual to whom the cash belongs or another staff member witnessing the transaction.
2. All cash ledger sheets shall be balanced regularly to the securely maintained cash for each individual in the residence. Balancing should be completed at least monthly, at a minimum, and be performed by a staff member who does not normally handle day-to-day cash transactions. Balancing shall be denoted on ledger sheets in the space provided or by writing "*Balanced on (date)*" followed by the staff member's signature or initials. Staff should not sign the ledger sheets until after physically counting the money to verify that the records are correct and all cash is accounted for.
3. The person balancing the securely maintained cash ledger must review all documentation and compare to the ledger sheet. Documentation should be reviewed for appropriateness. Any documentation that appears to be inappropriate must be researched and the results of the research must be documented. If the research does not clarify the appropriateness of the transaction, then the occurrence must be reported in accordance with provider policy. In the event the cash does not balance or there is any suspicious activity, the occurrence must be reported in accordance with DDSN requirements pertaining to possible critical incidents (100-09-DD Critical Incident Reporting) or exploitation (534-02-DD Procedures for Preventing and Reporting Abuse, Neglect and Exploitation of People Receiving Services from DDSN or a Contract Provider Agency).



Barry D. Malphrus
Vice Chairman



Gary C. Lemel
Chairman

RELATED DIRECTIVES:

200-02-DD: Financial Management of Personal Funds

200-12-DD: Management of Funds for Individuals Participating in Community Residential Programs

To access the following attachments, please see the agency website page "Current Directives" at: <https://ddsn.sc.gov/providers/ddsn-directives-standards-and-manuals/current-directives>

ATTACHMENT: Cash Ledger for Funds Maintained at Residential Level